

U. S. TREASURY DEPARTMENT  
Internal Revenue Service  
Washington 25, D. C.

October 19, 1955

Alcohol and Tobacco Tax Division  
Industry Circular No. 55-33

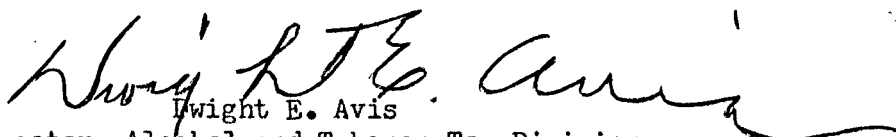
Reports of Tobacco Materials Used by  
Manufacturers of Tobacco Products

Manufacturers of tobacco, cigars, and cigarettes:

1. The purpose of this industry circular is to advise you that, beginning with your monthly report for October 1955, you will not be required to report, in item 9 of Form 2134 or 2136, the use of tobacco materials in the manufacture of your products.

2. This action is taken after a careful study of the matter and after considering representations made by a number of tobacco industry representatives that it is extremely difficult, if not impossible in many cases, to determine accurately each month the quantity of tobacco materials used in the production of tobacco products. On the other hand, this office has been informed that the rendering of an inventory of tobacco materials held in each tobacco products factory at the close of December 31 of each year will not impose a hardship on manufacturers of tobacco products. Since such inventories, in connection with the present monthly reports of tobacco materials received, lost or destroyed, and removed, will enable the Internal Revenue Service to determine the quantities of tobacco materials used in each factory during the calendar year for audit and statistical purposes, it has been decided to discontinue the reporting, by manufacturers, of tobacco materials used each month and, under authority of Section 5721 of the Internal Revenue Code of 1954 and Sections 270.141(c) and 275.131(c) of regulations, 26 CFR (1954) Parts 270 and 275, respectively, to require such manufacturers to furnish for each of their factories an inventory of tobacco materials held in the factory as of the beginning of business on January 1 of each year. Detailed instructions with respect to such inventories will be furnished to you in the near future.

3. Inquiries in regard to this industry circular should refer to the number thereof and should be directed to the appropriate Assistant Regional Commissioner, Alcohol and Tobacco Tax.

  
Dwight E. Avis  
Director, Alcohol and Tobacco Tax Division